

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:5589

ANSWERED ON:24.04.2001

GAP ON WHOLESALE AND RETAIL PRICES OF MEDICINES

GUNIPATI RAMAIAH;SRINIVASULU KALAVA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that there is a wide gap between the wholesale and retail prices of certain medicines;
- (b) if so, the details thereof;
- (c) the price index of pharmaceutical formulations during the last five years, ending the year 2000;
- (d) whether there has been any rise in the price index; and
- (e) if so, the reasons therefor?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA)

(a) & (b): The permissible margin to a retailer is regulated under the provisions of the Drugs (Prices Control) Order, 1995 only for formulations for which the retail price is specified by an order or notified by the Government.

(c) to (e): During the period 1995-96 and 1999-2000, the prices of drugs and medicines as measured by the wholesale price index (Base 1993-94 = 100) has increased by 68.27%. The common reasons for rise in prices of medicines, in general, are rise in prices of raw materials, transport/freight charges, change in foreign exchange rates, change in taxes and duties etc.